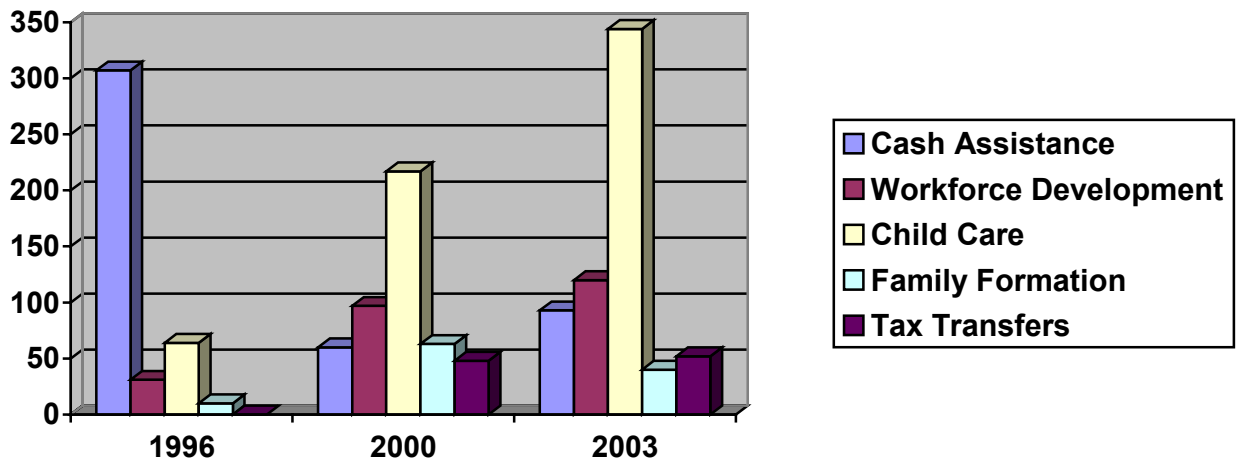


HOW HAS WISCONSIN WELFARE SPENDING* CHANGED?



In January 1987 (when welfare reform initiatives began) the AFDC caseload was 98,295. Before W-2 was implemented in September 1997 the AFDC cash assistance caseload in Wisconsin was 34,430. The W-2 cash assistance caseload in January 2002 was just over 9,000. Comparing FFY 1996 to FFY 2000 to projected spending in SFY 2003, the shift in serving those on *welfare* to serving *low income working families* is starkly represented in expenditure priorities.

"Welfare" Spending in 1996:

<u>Cash Benefits:</u>	\$307,246,215
<u>Workforce Development:</u>	\$31,957,105
<u>Family Stability programs:</u>	\$10,207,430
<u>Child Care:</u>	\$64,204,411

"Welfare" Spending in 2000:

<u>Cash Benefits:</u>	\$60,212,812
<u>Workforce Development:</u>	\$97,793,226
<u>Family Stability Programs:</u>	\$63,106,107
<u>Child Care:</u>	\$217,332,370
<u>State EITC:</u>	\$48,256,709

Projected "Welfare" Spending in 2003:

<u>Cash Benefits:</u>	\$93,958,200
<u>Workforce Development:</u>	\$120,363,600
<u>Family Stability Programs:</u>	\$40,378,500
<u>Child Care:</u>	\$344,723,700
<u>State EITC:</u>	\$52,200,000

*"Welfare spending" includes TANF, child care funding, and state dollars.

Consider:

- Expenditures on cash assistance including child only cases has decreased by over \$200 million in just four years. Whereas 74% of the welfare budget used to be for cash benefits, now cash assistance accounts for just 14% of total welfare expenditures.
- Spending on workforce development, which includes all education and training provided to W-2 participants, work subsidies, transportation, and short term “job access” loans has quadrupled. This vast influx of resources demonstrates a new commitment to making sure participants have the skills and resources to retain and advance in their employment.
- Spending on family stability and formation which includes Wisconsin’s efforts to reduce out of wedlock births and teen pregnancy prevention, child welfare services, AODA programs and Social Service Block Grant programs has increased from \$10 million to over \$60 million in 2000. Spending on this category has shifted recently with the increasing pressures on funding child care.
- Child care funding is the most dramatic change. Where child care used to be guaranteed to those on “welfare” and not often available to working families, child care can now be accessed by any low income working family below 185% FPL. Child care waiting lists in Wisconsin have been eliminated and the program continues to enjoy a rapid pace of program growth every month, now serving over 25,000 families with 45,000 children.
- Wisconsin is just one of a handful of states nationwide that has a state Earned Income Tax Credit. Wisconsin uses welfare spending to fund this important “make work pay” incentive. In 1999, over 185,000 families received an average credit of \$318. Wisconsin also had a state EITC in 1996 that was funded with approximately \$47 million in comparable state funding.

Wisconsin has expanded the population it serves with welfare funding both in terms of the services provided, and the number of people who are eligible for services. In fact, the Wisconsin Department of Workforce Development has commissioned some research to determine the way the caseload, and therefore state and local workload, has shifted since the enactment of PRWORA. Please see "What is a 'Case' in Post-reform Wisconsin? Reconciling Caseload with Workload", prepared by Rebecca J. Swartz, Hudson Institute, March 2001 at http://www.dwd.state.wi.us/dws/w2/pdf/swartz_paper.pdf.